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Picking up the pieces from a failed land grab project in Tanzania

Timothy A. Wise

KISARAWA, Tanzania — I arrived in Tanzania, one of the frontlines in the battle over land grabs in Africa, just as another round of international negotiations on guidelines for “responsible agricultural investment” (RAI) wrapped up in [Rome](#) late last month. The policy document is intended to curb so-called “land grabs” in Africa and other developing countries.

Negotiations were not going well. The governments of developed countries were debating every point in the guidelines, which are slated for approval by the UN’s Committee on World Food Security (CFS) in October. They were resisting many of the most basic principles to guarantee the right to food and land for farmers and herders who have seen their land and livelihoods given away to foreign companies and governments.

Those distant policy debates seemed urgent as I sat down with villagers from the Kisarawe area of Tanzania, southwest of Dar es Salaam, where 11 villages have given up 20,000 acres of land to the British-owned Sun Biofuels for a large-scale biofuel plantation. The biofuel project has failed, and now the villagers are staring at 5,000 acres of useless jatropha trees surrounded by guards hired to keep villagers off what used to be their land.

When the villages agreed to give up the land, they’d been promised compensation for it and, more importantly, more than 1,000 jobs, a variety of community development projects – roads, wells, schools, health clinics – and agricultural investment in local farms.

But those security positions were the only jobs the farm was providing. The local village councils and some farmers have gotten a little compensation for the land, but have nothing else to show for it.

“We offered the land so the community can benefit,” said Ramazani Jetta, a small-scale farmer from Marumbo village.

Under Tanzanian law, the villagers’ deal with Sun Biofuels had converted the title of the property from “village land” to “general land,” putting it under the control of the Tanzanian national government. The government then leased it to Sun Biofuels to produce vegetable oil for the production of biodiesel, to meet the growing demand for renewable fuels in Europe.

But the failure of Sun Biofuels’ project does not mean the land will be returned to the villages. Instead, it will stay with the leaseholder while the company and the government look for a new investor to sublease the land and develop it.

As long as the company pays the paltry rent on the land and puts it to productive use, it is lost to these regretful villagers. For the full 99 years of this lease.

For a community desperate for agricultural investment, and the jobs and higher incomes that investment could bring, this is the worst of possible outcomes. These are poor rural communities that gave up their land because they need jobs, schools, clinics, roads, and higher agricultural productivity from their small farms — none of which they will now see.

I was far from the negotiations in Rome, but this was a textbook case of irresponsible agricultural investment — precisely the kinds of practices the RAI is intended to curb.

The agricultural price spikes of 2007-2008 fueled a surge in large-scale land acquisitions, particularly in Africa. An estimated 100 million acres of African land have been sold or leased to foreigners in the wake of the food price spikes, according to the [Land Matrix Initiative](#).

[China](#) got a lot of the initial blame for exploiting the opportunity and buying up land, but the main buyers were US and British companies like Sun Biofuels.

The charge of “land-grabbing” seems apt. The deals typically involved 99-year leases for small sums of money on land that was not “unoccupied,” as the local governments had suggested. Thousands of farmers and herders, most with no formal land title and no legal basis to defend their rights, were dispossessed overnight.

This is the very problem the UN’s Committee on World Food Security is trying to address with these guidelines on responsible agricultural investment.

In Kisarawe, Tanzania, these problems have been all too real.

I’d read about the case, which has been well documented by the [Oakland Institute](#) and other international researchers and campaigners, before arriving, but it was worse than I realized. It’s bad enough that your community loses 20,000 acres of mostly common forest land to a foreigner for a project of marginal benefit to the local economy. It’s worse when that project fails. The villagers now have nothing.

Actually, for a time, they said, they had less than nothing. Sun Biofuels had cut down the forest to plant its biofuel crop.

“We used to fetch water, it was close,” explained Salima Nasoro, a brightly clad woman from Muhaga village. “We used clay for handicrafts. We cut poles for construction. We made timber. We got charcoal. We kept bees. We collected traditional medicines.”

Now, the land is mostly off-limits. They hadn’t grown much food on that land, but they had depended on the forest the way rural communities often do. With much of the forest gone and the land under guard, they had lost even those benefits — they’d even lost one of their burial grounds. Now all they had was a graveyard of untended jatropha trees.

Sun Biofuels was just one of many foreign biofuel ventures that failed because it believed its own

propaganda about jatropha. The oilseed plant, native to Africa, has been promoted as the perfect biofuel crop because it is inedible, so it doesn't divert food into fuel, and grows on marginal lands, so, in theory, it wouldn't take good land out of food production.

Europe was looking for feedstock to meet its renewal-fuel mandates for biofuel use, and jatropha was the new "green gold."

As it turned out, the crop gives marginal returns on marginal lands. Investors, of course, are never looking for marginal returns, so they went after the best agricultural lands.

Kisarawe's land is rich with agricultural potential. Even at the start of the Sun Biofuels project the jatropha took longer to produce than the three years they promised their investors. The company got one small crop before going bust.

I'd realized before I took the short 50-mile drive to Kisarawe that the story there was not just the land grab but its aftermath. I contacted Alan Mayers of Sun Biofuels for an interview. He declined, but he sent me to Valerie Fernandes of Mtanga Farms, the Tanzanian company he said had taken over the lease. This was news. No one, least of all the villagers, had heard of Mtanga.

I met Fernandes in the company's Dar es Salaam office.

The chief administrator for Mtanga Farms, a Tanzanian-owned cattle operation that has "overlapping shareholders" with Sun Biofuels, had been involved in Sun Biofuels for some time.

She said they planned to keep farming the 5,000 acres of jatropha and they would bring 1,200 head of cattle to Kisarawe for the beef operation. I asked her why Mtanga would keep farming a biofuels crop that she called "a failure." She had no answer. She said the company was presenting a new proposal to the Kisarawe District Council — the local government — for approval.

I asked about Mtanga's obligations to fulfill some of the commitments made by Sun Biofuels, the very promises of development that had convinced the villagers to give up the land. She was adamant: Sun Biofuels made those commitments, not Mtanga. The project failed because jatropha was a failure. Sun Biofuels had paid its compensation, that's all they owed, and Mtanga did not have any obligations to the villagers even to discuss the company's plans for the land.

This arrangement was starting to look a whole lot like a land grab: a foreign investor making empty promises to villagers to secure access to the land — for 99 years — then flipping the land to another investor once the lease is secured. In fact, the Oakland Institute [recently documented a similar case in Sierra Leone](#). But Fernandes didn't care.

The next day in Kisarawe I told the villagers that I'd met with her, and Mtanga now had the lease and planned to produce livestock, and that it does not intend to negotiate new commitments for development — conditions the Tanzanian government insists on when it negotiates a new land deal.

"It's a waste, and it's not what we agreed to," said Halima Ali, one of the Muhaga village members.

"We need discussion. We need new commitments," said Salima Nasoro of Sun Biofuels' unfulfilled

promises. "If they can't fulfill the conditions, they should leave the land."

The task force members said they do not believe Mtanga will develop the land. "They are just saying things to keep the land," said task force chair Ibrahim Muhat. "That is their tactic."

I sent Fernandes an email communicating the villagers' desire to meet with Mtanga to discuss the company's plans. "With all due respect," she replied in a terse email message, "surely the villagers do not expect to be consulted on the plans for a farm that belongs to Sun Biofuels? I agree the villagers surround the land but do they contribute to the upkeep of the land that they expect to be consulted?"

"The leasee (sic) has no obligations whatsoever to the memorandum of understanding signed by [Sun Biofuels] and [Kisarawe District Council]. The villagers have been paid for the sale of their land, that's their compensation."

My last day in Tanzania I met with David Mushendwa, a Senior Land Officer and lawyer in the Land Ministry. Was it true, I asked, that Mtanga has no obligations under Tanzanian law to fulfill any of the non-financial commitments made by Sun Biofuels to secure the land?

He offered his personal opinion that Mtanga should negotiate, but confirmed, "The village has no control after the land is transferred to general land. In practice, all they are entitled to is compensation."

It has become clear that companies can make whatever false promises they need to make to secure land, knowing that once they get the land they can renege on the promises. Tanzanian Land Minister Anna Tibaijuka has called actions like these "equivalent to Ponzi Schemes."

Still, government representatives in Rome are actively resisting any effort to include land rights in the guidelines for responsible agricultural investment. Without them, foreign agricultural investment in Africa is likely to remain as irresponsible as it is in Kisarawe.

Timothy A Wise is the director of policy research at the [Global Development and Environment Institute](#) at Tufts University. He is currently researching a book on ["A Rights-Based Approach to the Global Food Crisis."](#)